

Before the
FEDERAL COMMUNICATIONS COMMISSION
 Washington, D.C. 20554

MAY - 8 1998

FEDERAL COMMUNICATIONS COMMISSION
 OFFICE OF THE SECRETARY

In the Matter of

Calling Party Pays Service Option in the
 Commercial Mobile Radio Services

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WT Docket No. 97-207

COMMENTS OF AT&T WIRELESS SERVICES INC.

AT&T Wireless Services Inc. ("AWS"), by its attorneys, hereby submits its comments on the Petition for Expedited Consideration filed by the Cellular Telecommunications Industry Association ("CTIA") in the above-captioned proceeding.^{1/} CTIA has asked the Commission to issue a Notice of Proposed Rulemaking ("NPRM") to adopt uniform, nationwide rules for Calling Party Pays ("CPP") service. AWS agrees with CTIA about the potential benefits of wider availability of CPP service, but believes that adoption of specific rules governing CPP is premature until more specifics about the implementation of CPP are known.

DISCUSSION**I. THE COMPETITIVE CMRS MARKETPLACE SHOULD CONTROL THE IMPLEMENTATION OF CPP**

AWS agrees with CTIA that "[i]n the dynamic, competitive CMRS industry, the Commission should allow a market-based approach to determine whether and when CPP will be implemented."^{2/} As AWS argued in its previous comments in this proceeding, there is no reason for the Commission to mandate CPP or a particular means of implementing CPP arrangements

^{1/} Petition for Expedited Consideration of the Cellular Telecommunications Industry Association, in WT Docket No. 97-207, Calling Party Pays Service Option in the Commercial Mobile Radio Services (filed Feb. 23, 1998) ("CTIA Petition").

^{2/} CTIA Petition at 3.

because the competitive conditions in the CMRS marketplace will ensure that providers respond to customer demand for a CPP service option.^{3/} AWS also agrees with CTIA that the Commission has broad authority to prevent restrictive practices that would frustrate the development of CPP.^{4/} The notice of inquiry proceeding that the Commission has initiated is an appropriate means for the Commission to gather information about such restrictive practices as well as current CPP service offerings. A rulemaking at this time, however, would be premature because neither the industry nor the Commission knows what form CPP will eventually take. Commission action premised on a particular model of CPP -- such as a billing arrangement between CMRS providers and local exchange carriers ("LECs") -- could inadvertently preclude other innovative ways to provide CPP. For example, as described in more detail below, AWS is conducting a market trial of a new CPP service based upon the use of 500 numbers. Based upon comments filed previously in this proceeding, other carriers are also considering alternative approaches to CPP.^{5/} Any action the Commission takes should be carefully structured so as not to impede the development of such innovative services.

II. THE COMMISSION SHOULD PROCEED CAREFULLY SO AS NOT TO STIFLE INNOVATIVE APPROACHES TO CPP DEVELOPMENT

In April 1998, AWS launched a market trial in Minnesota that offers wireless subscribers a new CPP service option at no incremental charge. AWS's Minnesota market trial utilizes a

^{3/} See Comments of AT&T Wireless Services, Inc., WT Docket No. 97-207, at 3 (filed Dec. 16, 1997) ("AWS Comments").

^{4/} CTIA Petition at 5-7; AWS Comments at 3-6.

^{5/} MCI suggests that calling party pays could be accomplished through "other, more broadly available alternatives, including 'one number' or personal number solutions based on Service Access Codes (e.g. 500, 700) or on intelligent network architectures." Reply Comments of MCI Telecommunications Corporation at 2 (filed Jan. 16, 1998).

completely new method for providing CPP. AWS has obtained 500 numbers from AT&T Corp. that it will use as mobile identification numbers ("MINs") for wireless customers that choose to subscribe to CPP.^{6/} When a landline customer calls an AWS wireless subscriber who has chosen CPP, the LEC will recognize the number as an AT&T Corp. number and route the call to an AT&T switch.^{7/} The switch will query the 500 number database and determine that the call is going to a CPP wireless customer. The switch will then play a CPP announcement for the calling party that notifies the caller that it has called a wireless phone and that if the call is connected, the caller will be charged a pre-determined rate for the call. The announcement advises the caller to press "one" to accept the charges or hang up. If a "one" is not entered and the caller remains on the line, the switch assumes the person is calling from a rotary phone and repeats the announcement before connecting the call. The call is then sent through another AT&T switch to the AWS network, where the mobile switching center ("MSC"), using a home location register ("HLR"), finds the customer, delivers the call, and suppresses the billing information for the incoming call. The call will then be billed to the calling party, using AT&T Corp.'s existing billing arrangements with customers and LECs.

This innovative approach to CPP service avoids many of the concerns raised earlier in this proceeding. Billing arrangements that govern the use of 500 numbers are already in place between the LECs and AT&T Corp., limiting concerns about the relationship between the LEC

^{6/} AT&T Corp. has filed a tariff with the Commission and the Minnesota Public Utilities Commission offering this 500 number service to wireless carriers, which includes use of 500 numbers as well as billing, collection, and notification services.

^{7/} When a wireless subscriber places a call to another wireless subscriber that has chosen the CPP option, a similar process is followed to ensure that the caller receives the CPP announcement and the call is billed properly.

and the CMRS provider. The calling party is notified that he or she will be billed for the call if it is completed and the rate he or she will be charged and is given the option to disconnect the call. Most importantly, AT&T Corp. and AWS have been able to develop and initiate this service offering without state or Federal enabling regulation.

The Minnesota market trial is just that, however, an opportunity to experiment with a new service offering. While the initial response has been promising and the benefits of CPP are clear, there is still uncertainty about customer demand for and public acceptance of CPP. AWS urges the Commission to continue along its path of investigation and market development, rather than consider heavy-handed and potentially restrictive regulation. In this way, innovative service offerings like AWS's Minnesota market trial will not be precluded in the future.

CONCLUSION

Because CPP service offerings are still in the elementary stages of implementation, AWS believes that any rulemaking proceeding would be premature. Instead, the Commission should use its ongoing notice of inquiry proceeding to gather the information necessary to determine if more specific rules are needed in the future to promote the wider availability of CPP.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I, Michelle Mundt, hereby certify that on the 8th day of May 1998, I caused copies of the foregoing "Comments of AT & T Wireless Services, Inc. " to be sent to the following by either first class mail, postage prepaid, or by hand delivery to the following:

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